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Resolution No. 1425

BOARD OF DIRECTORS  
OF  
UNION SANITARY DISTRICT

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*Resolution No. 1425*

A Resolution of the Board of Directors of  
Union Sanitary District Providing for the Issuance  
and Prescribing the Terms, Conditions and Form of  
\$4,700,000 Principal Amount of Union Sanitary  
District Sewer Revenue Bonds, Series A  
(First Supplemental Resolution)

*W. S. G.*

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*Adopted August 14, 1978*

INSTITUTE OF GOVERNMENT  
STUDIES

SEP 13 1978

UNIVERSITY OF CALIFORNIA



# OFFICIAL NOTICE OF SALE

\$4,700,000

## UNION SANITARY DISTRICT SEWER REVENUE BONDS, SERIES A

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a representative of the Board of Directors of Union Sanitary District (the "District") at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111, on

TUESDAY, SEPTEMBER 26, 1978

at 10:00 o'clock A.M. for the purchase of \$4,700,000 principal amount of sewer revenue bonds of the District designated "Union Sanitary District Sewer Revenue Bonds, Series A" (the "bonds"), authorized to be issued under the provisions of a resolution (the "General Resolution") of the Board of Directors of the District adopted on August 14, 1978 and a resolution (the "First Supplemental Resolution") of the Board of Directors of the District adopted on August 14, 1978 (which General Resolution and First Supplemental Resolution are herein called the "Resolutions"), and pursuant to the Revenue Bond Law of 1941 of the State of California. The bonds are part of an issue of \$10,800,000 aggregate principal amount authorized at an election held in the District on November 2, 1976. The bonds are more particularly described in the Resolutions (which are incorporated herein by reference), and are generally described herein.

**ISSUE AND DENOMINATION:** \$4,700,000, consisting of 940 coupon bonds of the denomination of \$5,000, numbered A1 to A940, inclusive, all dated October 1, 1978.

**INTEREST RATE:** Maximum not to exceed eight per cent (8%) per annum, payable semiannually on April 1 and October 1 of each year. Bidders must specify the rate or rates of interest which the bonds shall bear; provided that (i) all bonds maturing by their terms in any one year must bear the same rate of interest; (ii) each interest rate specified must be in a multiple of 1/20 of 1% and a zero rate of interest cannot be specified; (iii) the difference between the highest and lowest coupon rates specified in any bid shall not exceed two per cent (2%); (iv) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon, and supplemental coupons will not be permitted; (v) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; and (vi) any premium must be paid in bank funds as part of the purchase price and no bid will be accepted which contemplates the cancellation of any interest coupons or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

**MATURITIES:** The bonds will mature in consecutive numerical order as follows:

Maturity Date (October 1)	Principal Amount	Maturity Date (October 1)	Principal Amount
1979 .....	\$110,000	1989 .....	\$225,000
1980 .....	120,000	1990 .....	240,000
1981 .....	130,000	1991 .....	260,000
1982 .....	140,000	1992 .....	275,000
1983 .....	150,000	1993 .....	295,000
1984 .....	160,000	1994 .....	320,000
1985 .....	170,000	1995 .....	340,000
1986 .....	185,000	1996 .....	365,000
1987 .....	195,000	1997 .....	390,000
1988 .....	210,000	1998 .....	420,000

**REDEMPTION:** Bonds maturing by their terms on or before October 1, 1993 are not subject to redemption prior to their respective maturity dates. Bonds maturing by their terms on or after October 1, 1994 are subject to redemption prior to their respective maturity dates, at the option of the District, as a whole, or in part in inverse order of maturities and by lot within any one maturity if less than all of the bonds of such maturity be redeemed, from any source of available funds, on any interest payment date on or after October 1, 1988, at a redemption price equal to the sum of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, plus a premium of one-fourth of one per cent

(1/4 of 1%) of such principal amount for each whole year and for any remaining fraction of a year between the dates fixed for redemption and their respective stated maturities.

**PAYMENT:** Both principal and interest are payable in lawful money of the United States of America at the principal office of Wells Fargo Bank, N.A. in San Francisco, California, the Fiscal Agent of the District, or at the option of the holder at the principal office of Chemical Bank in New York, New York or at the office of Continental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois, the Paying Agents of the District.

**REGISTRATION:** Coupon bonds will be issued by the District. The bonds will be registrable only as to both principal and interest and will be subject to discharge from registration and reregistration.

**PURPOSE:** The bonds are authorized for the purpose of providing funds for the acquisition and construction of additions, betterments, extensions or improvements to the sewer system of the District.

**SECURITY:** The bonds are revenue bonds payable solely from the Net Revenues (as that term is defined in the Resolutions) and certain other funds of the District as in the Resolutions provided. Bidders are referred to the Resolutions and to the official statement (copies of which will be furnished to any interested bidder on request) for further particulars. A bond reserve account will be maintained in an amount equal to the Maximum Aggregate Annual Debt Service (as that term is defined in the Resolutions) on the bonds.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the District, be relieved of his obligation under the contract to purchase the bonds and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the purchaser.

## TERMS OF SALE

**Highest Bid:** The bonds will be awarded to the highest bidder, considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the District would be required to pay from the date of the bonds to the respective maturity dates of the bonds at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the District. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest shall be computed on a 360-day year basis. The cost of printing the bonds will be borne by the District.

**Right of Rejection:** The Board of Directors of the District reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

**Prompt Award:** The Board of Directors of the District will take action awarding the bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**Delivery and Payment:** Delivery of the bonds will be made to the successful bidder at the office of Wells Fargo Bank, N.A., Corporate Trust Department, 475 Sansome Street, San Francisco, California 94111, as soon as the bonds can be prepared, which delivery date is presently scheduled to be on October 9, 1978, but not prior to the date of the bonds. Payment for the bonds must be made in funds immediately available to the District at such office in San Francisco, California, and any expense of providing such immediately available funds shall be borne by the successful bidder.

**Right of Cancellation:** The successful bidder shall have the right, at his option, to cancel the contract of purchase if the District shall fail to execute the bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**Form of Bid:** Each bid must be for not less than the principal amount of all of the bonds and accrued interest from the date of the bonds to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Board of Directors of the District and delivered to its representative by 10:00 o'clock A.M. on September 26, 1978 at the place above described for the receipt of bids and en-

dorsed "Proposal for Union Sanitary District Sewer Revenue Bonds, Series A."

**Bid Check:** With each bid must be submitted a certified check or cashier's check for \$50,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of his bid. In addition, bidders are requested, but not required, to supply an estimate of the total net interest cost to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the District. Checks of the unsuccessful bidders will be returned by the District by mail promptly after the date of sale above specified. No interest will be paid upon the deposit made by any bidder.

**Official Statement:** The District has prepared an official statement relating to the bonds, a copy of which, along with related legal documents, will be furnished upon request made to Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111, the District's financial consultant for the bonds, or telephoned to said consultant at (415) 989-2300.

**CUSIP Numbers:** It is anticipated that CUSIP numbers will be printed on the bonds but neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of the CUSIP numbers on the bonds shall be paid for by the District; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

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There is no controversy or litigation pending concerning the validity of the bonds, the corporate existence of the District or the title of the officers thereof to their respective offices, and the District will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the bonds.

Dated: August 28, 1978.

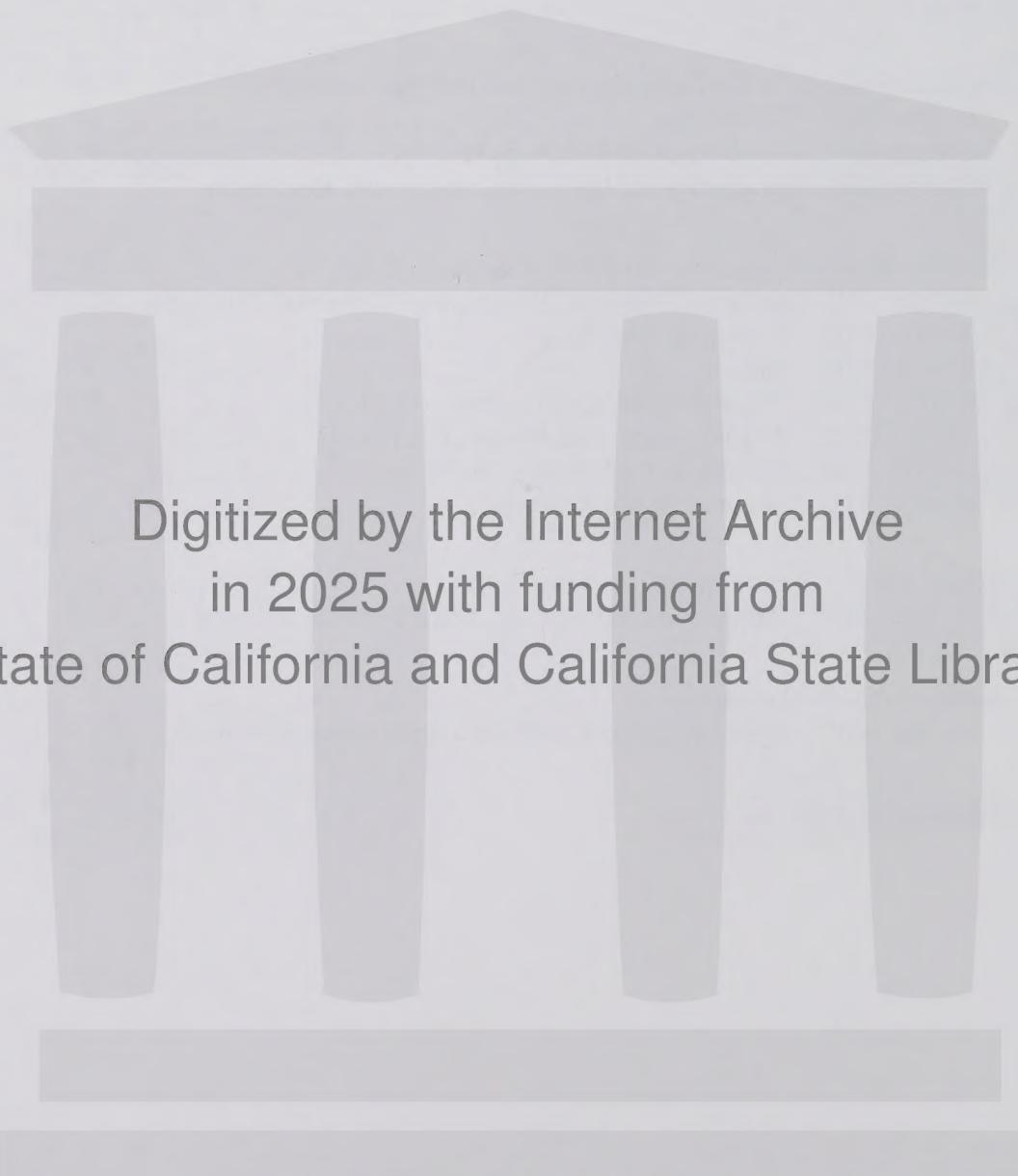
BYRON R. TOMLINSON

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Secretary of the Board of Directors  
of Union Sanitary District

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**RESOLUTION NO. 1425****A Resolution of the Board of Directors of Union Sanitary District Providing for the Issuance and Prescribing the Terms, Conditions and Form of \$4,700,000 Principal Amount of Union Sanitary District Sewer Revenue Bonds, Series A****(First Supplemental Resolution)**

WHEREAS, the Board of Directors of Union Sanitary District has duly adopted Resolution No. 1424, which Resolution No. 1424 duly provided for the issuance of sewer revenue bonds for the purposes therein stated, and it is necessary and desirable to authorize the issuance thereunder of \$4,700,000 principal amount of sewer revenue bonds for the purpose herein set forth;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Union Sanitary District as follows:

**ARTICLE I****DEFINITIONS; AUTHORIZATION AND PURPOSE; AUTHORITY****SECTION 1.01. *Definitions.***

(a) All terms which are defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in the First Supplemental Resolution as such terms are given in Section 1.01 of the Resolution.

(b) Unless the context otherwise requires, the terms defined in this section shall for all purposes of the Resolution and of the First Supplemental Resolution and of the Series A Bonds and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified.

**First Supplemental Resolution**

The term "First Supplemental Resolution" means this Resolution No. 1425, adopted by the Board of Directors on August 14, 1978 under the Law and pursuant to Articles II and VIII of the Resolution.

**Series A Bonds**

The term "Series A Bonds" means the Bonds authorized by Article II of the First Supplemental Resolution.

### **1978 Project**

The term "1978 Project" means the improvements for the Enterprise authorized at the special revenue bond election held in the District on November 2, 1976, comprising the acquisition and construction of sewage treatment facilities, pumping stations, force mains and outfall lines, together with pipes, pumps, machinery and dechlorination facilities and lands, easements and rights-of-way therefor, and other works, property or structures necessary or convenient for improvements for the Enterprise.

#### **SECTION 1.02. *Authorization and Purpose.***

(a) The Board of Directors has reviewed all proceedings heretofore taken relative to the authorization of the Series A Bonds and has found, as a result of such review, and hereby finds and determines that all conditions, things and acts required by law to exist, happen or be performed precedent to and in the issuance of the Series A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Board of Directors is now authorized, pursuant to each and every requirement of law, to issue the Series A Bonds in the manner and form provided in the Resolution and in the First Supplemental Resolution.

(b) The purpose for which the Series A Bonds are to be issued is to provide funds (together with other available funds) for paying costs of the acquisition and construction of the 1978 Project, including payment of costs incidental to or connected with such acquisition and construction.

**SECTION 1.03. *Authority for the First Supplemental Resolution.*** The First Supplemental Resolution is adopted pursuant to the provisions of the Law and is supplemental to and is adopted in accordance with Articles II and VIII of Resolution No. 1424 adopted by the Board of Directors on August 14, 1978.

## **ARTICLE II**

### **AUTHORIZATION AND FORM OF SERIES A BONDS**

**SECTION 2.01. *Principal Amount, Designation, Series and Character.*** Pursuant to the provisions of the Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized in the aggregate principal amount of \$4,700,000. Such Series of Bonds shall be des-

gnated as, and shall be distinguished from the Bonds of all other Series by the title, "Sewer Revenue Bonds, Series A". Such Series of Bonds shall be issued as coupon Bonds, registrable as to interest and principal only.

**SECTION 2.02. *Date and Maturities.*** The Series A Bonds shall be dated, and shall bear interest from, October 1, 1978. The Series A Bonds shall mature on the dates and in the principal amounts set forth in the following schedule:

<b>Maturity Date October 1</b>	<b>Principal Amount</b>	<b>Maturity Date October 1</b>	<b>Principal Amount</b>
1979.....	\$110,000	1989.....	\$225,000
1980.....	120,000	1990.....	240,000
1981.....	130,000	1991.....	260,000
1982.....	140,000	1992.....	275,000
1983.....	150,000	1993.....	295,000
1984.....	160,000	1994.....	320,000
1985.....	170,000	1995.....	340,000
1986.....	185,000	1996.....	365,000
1987.....	195,000	1997.....	390,000
1988.....	210,000	1998.....	420,000

**SECTION 2.03. *Interest.*** The Series A Bonds shall bear interest at such rate or rates, not exceeding eight per cent (8%) per annum, as may be fixed by the Board of Directors at the time of sale of the Series A Bonds. Such interest on the Series A Bonds shall be payable semiannually on April 1 and October 1 in each year, beginning April 1, 1979. The interest coupons attached to the Series A Bonds shall be numbered in consecutive numerical order, and each such coupon shall represent six months' interest on the Series A Bond to which it is attached.

**SECTION 2.04. *Denomination and Numbers.*** The Series A Bonds shall be in the denomination of five thousand dollars (\$5,000) each, and shall be numbered consecutively upward from A1 to A940, both inclusive, in order of maturity.

**SECTION 2.05. *Paying Agents and Places of Payment.*** The principal office of Chemical Bank in New York, New York and the office of Conti-

ntental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois are hereby appointed Paying Agents for the Series A Bonds, as provided in the Resolution. The interest on and principal of and redemption premiums, if any, on the Series A Bonds shall be payable at the office of the Fiscal Agent, or at the option of the Holders at the respective offices of the Paying Agents.

**SECTION 2.06. *Redemption of Series A Bonds.*** Series A Bonds maturing by their terms on or before October 1, 1993 are not subject to redemption prior to their respective maturity dates. Series A Bonds maturing by their terms on or after October 1, 1994 are subject to redemption prior to their respective maturity dates, at the option of the District, as a whole, or in part in inverse order of maturities and by lot within any one maturity if less than all of the Series A Bonds of such maturity be redeemed, from any source of available funds, on any interest payment date on or after October 1, 1988, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium of one-fourth of one per cent ( $\frac{1}{4}$  of 1%) of such principal amount for each whole year and for any remaining fraction of a year between the dates fixed for redemption and their respective stated maturities.

**SECTION 2.07. *Form of Series A Bonds.*** The Series A Bonds, the interest coupons to be attached thereto and the form of registration endorsement to appear thereon shall be substantially in the following forms, respectively:

[FORM OF SERIES A BOND]

No. A \_\_\_\_\_ \$5,000

UNITED STATES OF AMERICA  
 STATE OF CALIFORNIA  
 COUNTY OF ALAMEDA  
 UNION SANITARY DISTRICT  
 SEWER REVENUE BOND, SERIES A

UNION SANITARY DISTRICT, a sanitary district organized and existing under the laws of the State of California (the "District"), for value received hereby promises to pay (but only out of the Net Revenues and other funds

hereinafter referred to) to the bearer hereof, or if this Bond be registered as to interest and principal to the registered owner hereof, on October 1, 19\_\_ (subject to any right of prior redemption hereinafter provided for) the principal sum of Five Thousand Dollars (\$5,000), together with interest thereon from the date hereof until the principal hereof shall have been paid at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, payable semiannually on April 1 and October 1 in each year. Interest due on or before the maturity of this Bond shall (unless this Bond be registered as to interest and principal) be payable only according to the tenor, and upon presentation and surrender, of the annexed interest coupons as they severally become due. Both the interest hereon and principal hereof are payable at the principal office of Wells Fargo Bank, N.A. in San Francisco, California, the Fiscal Agent of the District, or at the option of the holder at the principal office of Chemical Bank in New York, New York or at the office of Continental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois, the Paying Agents of the District, in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the District designated as its "Sewer Revenue Bonds" (the "Bonds") issued and to be issued in various series under and pursuant to the Revenue Bond Law of 1941 (the "Law"), and under and pursuant to Resolution No. 1424 adopted by the Board of Directors of the District on August 14, 1978 (the "Resolution"), and a supplemental resolution authorizing each such series.

This Bond is one of a series of Bonds of various maturities designated as "Sewer Revenue Bonds, Series A" (the "Series A Bonds"), issued in the aggregate principal amount of \$4,700,000, authorized at an election held in the District on November 2, 1976, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), and issued under the Resolution and a supplemental resolution of the District, Resolution No. 1425, adopted by the Board of Directors of the District on August 14, 1978 (the "First Supplemental Resolution"), which resolutions are herein collectively called the "Resolutions". Copies of the Resolutions are on file at the office of the Secretary of the Board of Directors of the District and at the above-mentioned office of the Fiscal Agent, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Law is made for a description of the terms on which the Series A Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Resolution, and the rights of the holders and registered owners of the Series A Bonds and of the bearers

of the appurtenant coupons; and all the terms of the Resolutions and the Law are hereby incorporated herein and constitute a contract between the District and the holder or registered owner from time to time of this Series A Bond, and to all the provisions thereof the holder or registered owner of this Series A Bond, by his acceptance hereof, consents and agrees. Each taker and subsequent holder hereof and of said coupons, whether said coupons are attached hereto or detached herefrom, shall have recourse to all of the provisions of the Law and the Resolutions and shall be bound by all of the terms and conditions thereof.

The Series A Bonds are issued to provide funds for the acquisition and construction of additions, betterments, extensions or improvements to an Enterprise consisting of the sewer system of the District, as more particularly described in the Resolution. The Series A Bonds are special obligations of the District and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, from the net revenues of said Enterprise (which net revenues, as more particularly defined in the Resolution, are therein and herein called the "Net Revenues") and other funds of the District as in the Resolution provided. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Net Revenues and such other funds, and the Net Revenues and such other funds constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on all of the Bonds. Additional series of sewer revenue bonds payable from the Net Revenues and such other funds may be issued on a parity with the Series A Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Resolution.

The interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the Net Revenues and such other funds pledged for the payment thereof, and the District is not obligated to pay the Bonds except from the Net Revenues and such other funds. The general fund of the District is not liable, and the full faith and credit or taxing power of the District is not pledged, for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income or receipts, except the Net Revenues and such other funds.

The District covenants that, so long as any of the Bonds are outstanding, it will fix, prescribe and collect rates, fees and charges in connection with the services and facilities furnished by said Enterprise so as to yield Net Revenues at least equal to the amounts thereof prescribed by the Resolution and sufficient to pay the interest on and principal of and redemption pre-

miums, if any, on the Bonds in accordance with the provisions of the Resolution.

Series A Bonds maturing by their terms on or before October 1, 1993 are not subject to redemption prior to their respective maturity dates. Series A Bonds maturing by their terms on or after October 1, 1994 are subject to redemption prior to their respective maturity dates, at the option of the District, as a whole, or in part in inverse order of maturities and by lot within any one maturity if less than all of the Series A Bonds of such maturity be redeemed, from any source of available funds, on any interest payment date on or after October 1, 1988, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, plus a premium of one-fourth of one per cent ( $\frac{1}{4}$  of 1%) of such principal amount for each whole year and for any remaining fraction of a year between the dates fixed for redemption and their respective stated maturities.

As provided in the Resolutions, notice of redemption shall be given by publication once a week for two successive weeks in a newspaper or journal of general circulation in San Francisco, California, printed in the English language publishing financial news and selected by the Fiscal Agent, and in the same or a similar newspaper or journal of general circulation in New York, New York, and in the same or a similar newspaper or journal of general circulation in Chicago, Illinois, with the first of each such publications to be not less than thirty (30) days nor more than sixty (60) days before the redemption date, all in the manner and upon the terms and conditions set forth in the Resolutions. In addition, notice of redemption of this Bond, if registered as to interest and principal, shall be mailed not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner hereof, but neither failure to mail or receive such notice shall affect the sufficiency of such proceedings for redemption. If notice of redemption has been duly given as aforesaid, and moneys for payment of the redemption price are held by the Fiscal Agent, then this Bond shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice; and from and after the date so designated interest on this Bond shall cease to accrue, the coupons for interest thereon maturing subsequent to such redemption date shall be void and the holder or registered owner of this Bond shall have no rights in respect thereof except to receive payment of the redemption price thereof.

If an event of default, as defined in the Resolution, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Resolution.

This Bond is negotiable and transferable by delivery unless registered as to interest and principal in the name of the holder at the office of the Fiscal Agent in the manner provided in the Resolution, and such registration noted hereon. After such registration, the interest hereon and the principal hereof shall be payable only to the registered owner, and no valid transfer hereof can be made except at such office by the registered owner in person or by duly authorized attorney and similarly noted hereon until after registered transfer to bearer, but after registered transfer to bearer this Bond shall again be transferable by delivery.

The rights and obligations of the District and of the holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the District to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in currency provided herein, without the express written consent of the holder or registered owner of this Bond, or (2) reduce the percentage of Bonds required for the written consent to an amendment or modification; all as more fully set forth in the Resolution.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolutions.

IN WITNESS WHEREOF, Union Sanitary District has caused this Bond to be executed under its official seal, signed by the President of its Board of Directors and by its Treasurer and countersigned by the Secretary of its Board of Directors, and has caused the interest coupons attached hereto to be signed by its Treasurer and has caused this Bond to be dated October 1, 1978.

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*President of the Board of Directors  
of Union Sanitary District*

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*Treasurer of Union Sanitary District*

Countersigned:

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*Secretary of the Board of Directors  
of Union Sanitary District*

(Seal)

[FORM OF INTEREST COUPON]

Coupon No. \_\_\_\_\_

Union Sanitary District, on \_\_\_\_\_ 1, 19\_\_\_\_\_, will pay to bearer (unless the Bond herein mentioned is registered as to interest and principal, and subject to any right of prior redemption reserved therein) exclusively from the Net Revenues and other funds referred to in said Bond, at the principal office of Wells Fargo Bank, N.A. in San Francisco, California, or at the option of the holder at the principal office of Chemical Bank in New York, New York or at the office of Continental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois, upon surrender hereof, the sum shown hereon in lawful money of the United States of America, being interest then due on its Sewer Revenue Bond, Series A, dated October 1, 1978,

\$ \_\_\_\_\_

No. A \_\_\_\_\_

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*Treasurer of Union Sanitary District*

## [FORM OF REGISTRATION ENDORSEMENT]

This bond may be registered as to interest and principal in the name of the owner on books kept by the Fiscal Agent of the District, such registration being noted hereon by said Fiscal Agent in the registration blank below, after which no transfer shall be valid unless made on said books by the registered owner or attorney duly authorized and similarly noted in the registration blank below. At the request of the registered owner, this bond may be converted into a coupon bond at the expense of such owner and such coupon bond may again be converted into a bond registered as to interest and principal as hereinabove provided. Upon reconversion of this bond, if registered as to interest and principal, into a coupon bond, coupons representing the interest to accrue hereon to date of maturity shall be attached hereto by said Fiscal Agent and said Fiscal Agent shall note in the registration blank below that this bond is payable to bearer.

NOTE: There must be no writing in the space below except by the Fiscal Agent.

Date of Registration	Name of Registered Owner	Address of Registered Owner	Signature of Fiscal Agent

## ARTICLE III

## USE OF PROCEEDS OF SERIES A BONDS

**SECTION 3.01. *Application of Proceeds of Sale of Series A Bonds.*** Upon the receipt of payment for the Series A Bonds when the same shall have been duly issued by the District, the Fiscal Agent shall set aside and deposit or cause to be deposited the proceeds received from such sale in the following respective accounts and funds and in the following order of priority:

- (a) The Fiscal Agent shall deposit in the Interest Account established pursuant to Section 5.03 of the Resolution a sum equal to the amount of accrued interest received upon the sale of the Series A Bonds.
- (b) The Fiscal Agent shall deposit in the Bond Reserve Account established pursuant to Section 5.03 of the Resolution a sum equal to the Maximum Aggregate Annual Debt Service on the Series A Bonds.

(c) The Fiscal Agent shall transfer the remainder of such proceeds to the Treasurer, who shall deposit such proceeds in a separate fund which is hereby created in the treasury of the District and which shall be known as the "Union Sanitary District Sewer Revenue Bonds, Series A Bond Fund" (the "Series A Bond Fund"), which fund the District hereby covenants to maintain. The money in the Series A Bond Fund shall be used in the manner provided by law for the purpose of paying costs of the acquisition and construction of the 1978 Project (or for making reimbursements to the District for such costs theretofore paid by it), including all costs incidental to or connected with such acquisition and construction, together with engineering, appraisal, inspection, legal and fiscal agent's fees, and costs of the special revenue bond election held in the District on November 2, 1976 and of the issuance of the Series A Bonds. Any balance remaining in the Series A Bond Fund after the completion of such acquisition and construction shall be deposited in the Revenue Fund.

#### ARTICLE IV MISCELLANEOUS

**SECTION 4.01. *Effective Date of the First Supplemental Resolution.***  
The First Supplemental Resolution shall take effect from and after its passage and approval.

PASSED and ADOPTED on August 14, 1978, by the following vote:

*Ayes:* Directors Anderson, Boege, Buffington, Tomlinson and Weiss

*Noes:* None

*Absent:* None

Approved:

CONRAD E. ANDERSON, M.D.

*President of the Board of Directors  
of Union Sanitary District*

(Seal)

Attest:

BYRON R. TOMLINSON

*Secretary of the Board of Directors  
of Union Sanitary District*

## SECRETARY'S CERTIFICATE

I, Byron R. Tomlinson, Secretary of the Board of Directors of Union Sanitary District, State of California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said District duly and regularly and legally held at the regular meeting place thereof on the 14th day of August, 1978, of which meeting all of the members of said Board of Directors had due notice and at which not less than a majority of the members thereof were present and acted; that at said meeting said resolution was, upon motion of Director Tomlinson, seconded by Director Buffington, adopted by the following vote:

*Ayes:* Directors Anderson, Boege, Buffington, Tomlinson and Weiss

*Noes:* None

*Absent:* None

I do hereby further certify that I have carefully compared the same with the minutes of said meeting on file and of record in my office and that said resolution is duly entered of record in said minutes; that the foregoing is a full, true and correct copy of said resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption and is now in full force and effect.

WITNESS my hand and the seal of Union Sanitary District, this 14th day of August, 1978.

BYRON R. TOMLINSON

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*Secretary of the Board of Directors of  
Union Sanitary District*

(Seal)





# STONE & YOUNGBERG

MUNICIPAL FINANCING CONSULTANTS, INC.

SUITE 2750 • ONE CALIFORNIA STREET  
SAN FRANCISCO, CALIFORNIA 94111 • (415) 989-2300

1541 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90017 • (213) 483-1643

## COPIES OF THE ENCLOSED OFFICIAL STATEMENT HAVE BEEN SENT TO INVESTMENT OFFICERS OF THE FOLLOWING INSTITUTIONS:

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American Agricultural Mutual Insurance  
American Employees Insurance Company  
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American General Life Insurance Company  
American Mutual Life Insurance Company  
American National Insurance Company  
American Re-Insurance Company  
American Republic Insurance Company  
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Arkwright-Boston Manufacturers Mutual Insurance Company  
Atlantic Mutual Insurance Company  
Automobile Club of Southern California  
  
Bankers Life & Casualty Company  
Bankers Life Company  
Bankers Life Insurance Company of Nebraska  
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Boston Mutual Life Insurance Company  
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Canada Life Assurance Company  
Central Life Assurance Company  
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Employers Mutual Liability Insurance Company of Wisconsin  
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Equitable Life Assurance Society  
Equitable Life Insurance Company of Iowa  
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Farmers Insurance Group  
Farmers New World Life Insurance Company  
Fidelity & Deposit Insurance Company  
Fidelity Mutual Life Insurance Company  
Fidelity-Phoenix Insurance Company  
First Catholic Slovak Union of the United States of America  
Foremost Insurance Company  
Franklin Life Insurance Company  
General Accident Fire & Life Assurance Corporation, Ltd.  
General American Life Insurance Company  
General Insurance Company of America  
General Reinsurance Corporation  
Georgia International Life Insurance Company  
Government Employees Insurance Company  
Great American Insurance Company  
Great-West Life Assurance Company  
Greater New York Mutual Insurance Company  
Guardian Life Insurance Company of America  
Gulf Life Insurance Company  
  
John Hancock Mutual Life Insurance Company  
The Hanover Group  
Hanover Insurance Company  
Hardward Mutual Casualty Company  
Hartford Accident & Indemnity Company  
Hartford Steam Boiler Inspection & Insurance Company  
Highlands Insurance Company  
Home Insurance Company  
Homesteaders Life Company  
  
Imperial Life Assurance Company of Canada  
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Phoenix Mutual Life Insurance Company  
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Provident Life & Accident Insurance Company  
Provident Mutual Life Insurance Company of Philadelphia  
Prudential Insurance Company of America  
Reinsurance Corporation of New York  
Reliance Insurance Company  
Republic Insurance Company  
Reserve Insurance Company  
Reserve Life Insurance Company  
Rural Security Life Insurance Company  
Safeco Insurance Company of America  
St. Paul Fire & Marine Insurance Company  
Scudder, Stevens & Clark - New York  
Scudder, Stevens & Clark - Boston  
Security Benefit Life Insurance Company  
Security Life & Accident Company  
Security Mutual Casualty Company  
Sentry Group  
Society for Savings  
Southern Farm Bureau Casualty Insurance Company  
Southern Life & Health Insurance Company  
Southland Life Insurance Company  
Southwestern Life Insurance Company  
Standard Insurance Company  
State Automobile Mutual Insurance Company  
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State Mutual Life Assurance Company of America  
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Sun Life Assurance Company of Canada  
Swett & Crawford  
Swiss Re-Insurance Company  
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Title Insurance & Trust Company  
Transamerica Insurance Company  
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Transamerica Title Insurance Company  
Transport Insurance Company  
Travelers Insurance Company  
Unigard Olympic Life Insurance Company  
Union Life Insurance Company  
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